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Czech Republic

Oilseeds and Products

Annual - Revised PS&D

2001

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Report Highlights: An estimated 420,000 hectares (ha) is planted to oilseeds in the Czech Republic representing approximately 13% of total arable land. Rapeseed is the most popular oilseed, with an estimated 340,000 hectares planted for MY 2001/02. Sunflower seed will be planted on an estimated 30,000 hectares and soybeans only on 2,000 hectares. In response to market conditions, production of rapeseed will be slightly lower this year. Sunflower and soybean production are forecast to be higher than last year. This year the Ministry of Agriculture is subsidizing the production of bio-fuels and could theoretically purchase up to 230,000 MT of rapeseed (or about a quarter of total production).

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1], EZ

Oilseeds Area, Production, and Consumption

In MY 2001/2002 oilseeds area is estimated at:

Rapeseed:	340,000 hectares
Sunflower:	30,000 hectares
Poppy seed:	31,000 hectares
Mustard (white):	15,000 hectares
Flax:	2,000 hectares
Soybean:	2,000 hectares

Total:	420,000 hectares

Rapeseed

Rapeseed production for MY 2001/02 is expected to be around 910,000 MT. Winter rape make ups almost the entire crop. Spring rape is replanted on up to 10,000 hectares annually, depending on damage to the winter crop.

Winter rapeseed planted in summer 2000 developed normally due to sufficient precipitation in most areas. The 2000/2001 winter has been in general very mild. Although snow cover was less than normal there are no reports of winter kill. As of March, winter rape is standing well. Soil moisture levels remain somewhat below normal.

Beginning last year, production of rapeseed started to outstrip demand and the bull market of the late 1990's seems to be at an end. From MY 1996 to MY 1999, production went up by almost 80% and was driven by historically high prices of rapeseed, rape oil and meal. Last year's large crop led to two negative price factors. First, producers faced a drastic fall of price (on average by $50/MT) because of oversupply. Secondly, trading companies had difficulty exporting due in part to inadequate railroad transportation and handling facilities.

Sunflower seed

Sales of sunflower seed have been growing. In MY 2000/01 it is expected to be over 30,000 hectares, three times greater than MY 1997/98.

Soybeans

Even though production of soybeans in the Czech Republic is low compared to other oilseeds, its planted area of 2,000 hectares is about five times larger this year than in MY 1999/00. Czech farmers are increasing soybean planted area in part due to contract demand from multinational food companies. Yields are between 1.2 - 1.5 MT/hectare and are low compared to other crops. Future growth in soybean production is conditioned on increased yields.

About 40,000 MT of soybeans for crushing are imported annually, mostly from Brazil. Lots are often imported under the pretext of being free of genetically modified (GM) soybeans although in

practice few confirmation tests are done. Beginning January 1, 2000, a new law requires labeling of genetically modified organisms and feeds and some consumer products containing soybeans will have to be labeled. In order to avoid labeling (and a possible loss of customers) traders, importers and processors are seeking non-GM soybeans. (See EZ0020 for the complete English text of this law.)

Imports and Exports

No structural changes are expected that would significantly increase or decrease exports in the coming year.

Total imports of oils in 2000 (Jan - Oct) were 80,000 MT, out of which 20,000 MT was palm oil; 20,000 MT soya oil; 16,000 MT rapeseed oil; and 10,000 MT sunflower oil.

Total exports of oils in 2000 (Jan - Oct) were 32,000 MT, out of which 23,000 MT was export rapeseed oil; over 8,000 MT of sunflower oil and 150 MT of soya oil.

Total imports of meals in 2000 (Jan - Oct) were 367,000 MT, out of which 355,000 MT was soybean meal. Total exports of oilseed meals in 2000 (Jan - Oct) were 145,000 MT, out of which 126,000 MT was rapeseed meal; 15,000 MT sunflower meal; and 3,000 MT soybean meal.

The Czech Republic may see an increase in soybean meal imports as the result of a ban on meat and bone meal imports. The potential remains for a complete ban on meat and bone meal as a feed for non-ruminate animals. Total imports of meat and bone meal were about 40,000 MT per year and annual production is about 60,0000. A complete ban on the use of meat and bone meal as a feed ingredient will leave a protein deficit equal to about by 115,000 MT of soybean meal (assuming no dramatic drop in animal numbers). (See EZ 1001 for details.)

The origin of soybean meal imported into the Czech Republic is difficult to track since importers purchase this commodity in Germany and Holland and transhipments may go unreported. The main companies trading in oilseeds in the Czech Republic are Agropol, AGF Trading, Agrofert, and Protecto Partners.

Production policy

The Czech government does not provide production support to oilseed growers. The lack of government support is partly replaced by the activities of the Czech Union of Oilseed Growers and Processors. Among the members of the Union, representing about 70 percent of total oilseed production, the oilseed processing plant (Setuza), 40 small crushing plants, several seed companies, 850 growers and the three main oilseed trading companies (Protecto Partners, Protein Service and AGS Trading). The Union provides information and consulting services to its members. Some information and consulting services include what kinds of oilseeds to grow, where to grow them, what fertilizers and pesticides to use, what the world prices of oilseeds are, and recommended sales prices. Union membership dues are 50 Kc per sown hectare per year.

Rapeseed and Biofuels

In spring 1999, the Ministry of Agriculture started to subsidize the industrial use of oils for the production of bio-fuel under the "Oleoprogram" (the oil program). This program was politically possible because of the convergence of high domestic rape production, high fuel prices, and low rape oil prices. This year under the program (regulation 86/2001), farmers may receive up to 5,500Kc ($144) per hectare of land planted to industrial oilseeds. Participating farms are only permitted to plant up to 10% of overall planted area to industrial oilseeds and average prices are in the 4,000Kc/MT ($105/MT) range. Under the current rules, the state intervention agency can buy a maximum of 230,000 MT of industrial rapeseed in 2001.

Oilseed Processing

The only major soybean crusher in the Czech Republic is Setuza. The company has over 1,000 employees and has a capacity of 600,000 MT/year. About 450,000 MT of rapeseed is processed, 20,000 MT of sunflower and 20,000 MT of soybeans. Setuza's imports of soybeans is based on rapeseed availability and prices. Last year Setuza purchased a smaller crusher called Lukana. Setuza imports about 40,000 MT of soybean annually, mostly from Brazil. There are other small oil processing plants in the Czech Republic but their share of total production is marginal.

Trade policy

Import tariffs on oilseed are as follows:

HTS number	Description	2001
1201.00.10	Soybean for sowing	Free
1201.0090	Soybean, other	Free
1205.00.10	Rapeseed for sowing	11.5 (CEFTA countries - Slovakia, Hungary, Poland, Slovenia, Romania, Bulgaria - Free)
1205.00.90	Rapeseed, other	60 (Hungary and Poland 15, Slovenia - Free)

Starting in 2000, the Czech government no longer required a licence to export rapeseed. A return of mandatary export licences is not foreseen.

(Exchange rate: March 2001: 1USD = 38CZK)

PSD Table						
Country:	Czech Republic					
Commodity:	Rapeseed					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	351	325	350	337	330	340
Area Harvested	325	325	340	335	330	338
Beginning Stocks	10	0	0	0	0	0
Production	850	854	931	904	850	910
MY Imports	10	13	14	6	10	6
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	870	867	945	910	860	916
MY Exports	330	330	400	323	330	324
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	538	535	543	585	528	590
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	2	2	2	2	2	2
Total Dom. Consumption	540	537	545	587	530	592
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	870	867	945	910	860	916
Calendar Year Imports	7	14	8	6	8	6
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	305	366	360	340	330	330
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country:						
Commodity:						
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Crush	538	535	543	585	528	590
Extr. Rate	0.563197	0.5981308	0.4696133	0.5641026	0.4734848	0.5677966
Beginning Stocks	0	0	0	0	0	0
Production	303	320	255	330	250	335
MY Imports	10	8	0	3	0	5
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	313	328	255	333	250	340
MY Exports	158	160	160	170	152	180
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	155	168	95	163	98	160
Total Dom. Consumption	155	168	95	163	98	160
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	313	328	255	333	250	340
Calendar Year Imports	0	8	18	10	15	8
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	155	160	155	165	160	170
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country:						
Commodity:						
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Crush	538	535	543	585	528	590
Extr. Rate	0.436803	0.4018692	0.3683241	0.4358974	0.3787879	0.4338983
Beginning Stocks	10	10	10	10	10	10
Production	235	215	200	255	200	256
MY Imports	11	15	12	12	12	8
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	256	240	222	277	222	274
MY Exports	22	25	30	40	23	35
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	46	60	47	85	50	86
Food Use Dom. Consump.	173	140	130	137	134	138
Feed Waste Dom.Consum.	5	5	5	5	5	5
Total Dom. Consumption	224	205	182	227	189	229
Ending Stocks	10	10	10	10	10	10
TOTAL DISTRIBUTION	256	240	222	277	222	274
Calendar Year Imports	8	16	8	10	6	6
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	25	25	25	35	24	36
Calndr Yr Exp. to U.S.	0	0	0	0	0	0